HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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FACT FINDERS FOR AGRICULTURE

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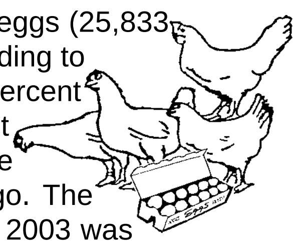
IN THIS ISSUE

JUNE EGG PRODUCTION 3 PERCENT BELOW A YEAR AGO



Egg production during June, totaled **9.3** million eggs (25,833 cases), 3 percent less than a year earlier, according to the *Hawaii Agricultural Statistics Service*. A 4 percent increase in the average rate of lay was not enough to offset the 7 percent decline in the average number of layers on hand from a year ago. The average number of layers on hand during June 2003 was 494,000, compared with 532,000 a year ago, and 487,000 during May. The average rate of lay was 1,883 eggs per 100 layers (62.8 percent lay rate) compared with 1,805 (60.2 percent) a year ago. Cumulative egg production for the first half of 2003 was 1 percent below the same 6-month period in 2002.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.05 billion during June 2003, down 1 percent from last year. Production included 5.98 billion table eggs and 1.08 billion hatching eggs, of which 1.02 billion were broiler-type and 60.0 million were egg-type. The total number of layers during June 2003 averaged 332 million, down 1 percent from a year earlier. June egg production per 100 layers was 2,122 eggs, down slightly from June 2002.

June 2003 contained 21 weekdays and four Saturdays, compared to June 2002, with 20 weekdays and five Saturdays.

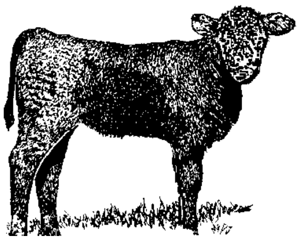
All layers in the U.S. on July,1, 2003, totaled 332 million, down 1 percent from a year ago. The 332 million layers consisted of 272 million layers producing table or commercial type eggs, 56.5 million layers producing broiler-type hatching eggs, and 2.60 million layers producing egg-type hatching eggs. Rate of lay per day on July 1, 2003, averaged 71.4 eggs per 100 layers, up 1 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 6.58 billion eggs during June 2003, down 1 percent from a year ago. The average number of layers during June, at 310 million, was down 1 percent from a year ago.

Number of layers and egg production, State of Hawaii, June 2003 [1]

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	June 2002	May 2003	June 2003	June 2002	June 2003	June 2002	June 2003	Year-to-date 2002	Year-to-date 2003
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	122	108	117	1,842	1,887	2.2	2.2	14.3	14.0
Honolulu	410	379	377	1,794	1,875	7.4	7.1	44.7	44.2
State	532	487	494	1,805	1,883	9.6	9.3	58.9	58.3

[1] State totals may not add due to rounding.



JUNE MARKETINGS OFF 37 PERCENT ABOVE A YEAR AGO

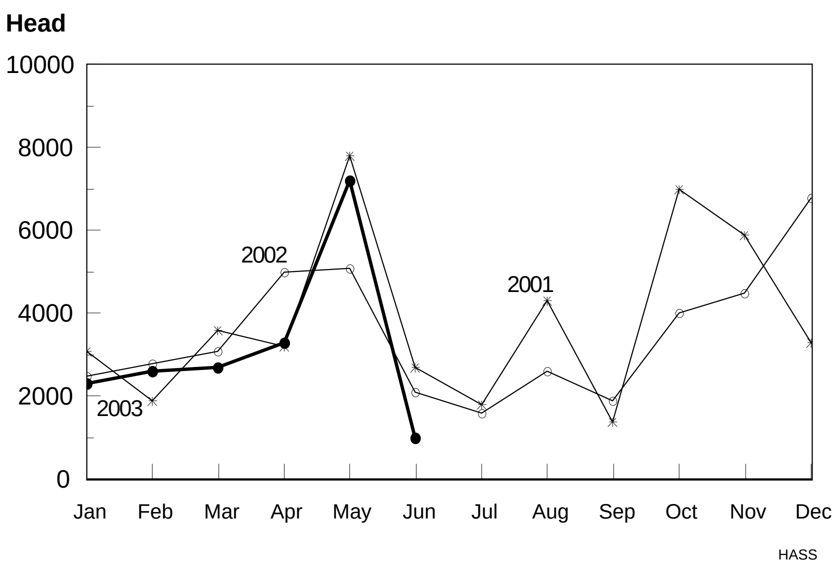
Cattle marketings during June totaled 1,900 head, compared with 3,000 head a year ago and 8,100 head during May 2003. Fewer out-of-state shipments accounted for the 37 percent decrease in marketings when compared with a year earlier. Year-to-date marketings of 24,400 head were 7 percent below the same 6-month period in 2002. The number of cattle and calves shipped out-of-State during June totaled 1,000 head compared with 2,100 a year earlier and 7,200 during May. Cumulative out-of-state shipments during 2003 totaled 19,100 head, 7 percent less than the same period in 2002.

Cattle Marketings, State of Hawaii, June 2003

Month	Total Marketings [1]		Exports [2]							
	Number of Head [3]		Number of Head						Average Live Weight	
			Steers		Heifers		Total [3]			
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
	head								pounds	
June	3,000	1,900	1,400	500	700	500	2,100	1,000	469	453
Year-to-date [4]	26,300	24,400	12,200	10,800	8,400	8,200	20,600	19,100	443	428

[1] Sum of Commercial Slaughter and Exports.
[2] Cattle and calves shipped out-of-State.
[3] Total may not add to sum due to rounding.
[4] Includes any revisions made to previous month figures.

CATTLE & CALF OUTSHIPMENTS
STATE OF HAWAII, 2001-2003



SLAUGHTER CATTLE (U.S.)

Weekly Simple Average of Daily Quotations, Choice 2-4

Dollars per 100 pounds

Week ending	Steers (1,100 - 1,300 pounds)	Heifers (1,000 - 1,200 pounds)
from California		
5-17-03	—	—
5-31-03	—	—
from Sioux Falls		
5-17-03	78.00	78.75
5-31-03	79.50	79.00

Source: Livestock, Meat and Wool Weekly Summary and Statistics; **Agricultural Marketing Service, Livestock and Seed Division**

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June Okamura — Kauai, Honolulu
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COMMERCIAL BEEF PRODUCTION 5 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during June 2003 totaled 488,000 pounds, compared with 516,000 pounds a year earlier. Commercial kill for June 2003 totaled 900 head, unchanged from a year ago. Average live weight per head, at 1,035 pounds, was 2 percent lighter than a year ago. Cumulative production for the first 6 months of 2003 was 3.1 million pounds, 6 percent less than the same period in 2002.

U.S. BEEF PRODUCTION

Beef production, at 2.39 billion pounds, was 4 percent above the previous year and was a monthly record high. Cattle slaughter totaled 3.25 million head, up 6 percent from June 2002. The average live weight was down 19 pounds from the previous year, at 1,217 pounds.

PORK PRODUCTION DOWN 4 PERCENT FROM A YEAR AGO

Commercial pork production during June 2003 totaled 396,000 pounds, compared with 412,000 pounds a year ago. Total hog kill of 2,500 head was 100 less than a year ago. Average live weight per head, at 210 pounds, was 2 pounds lighter than a year ago. Year-to-date production for the first 6 months of 2003 was 2.3 million pounds, 9 percent less than the same period in 2002.

U.S. PORK PRODUCTION

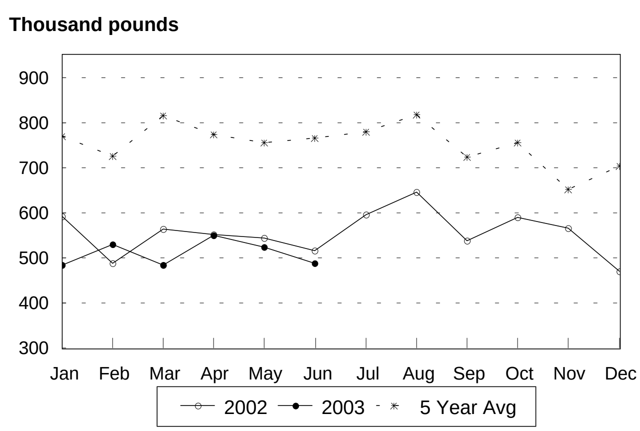
Pork production totaled 1.53 billion pounds, up 3 percent from the previous year. Hog kill totaled 7.75 million head, 3 percent above June 2002. The average live weight was 1 pound above the previous year, at 266 pounds.

Commercial slaughter, State of Hawaii, June 2003 [1]

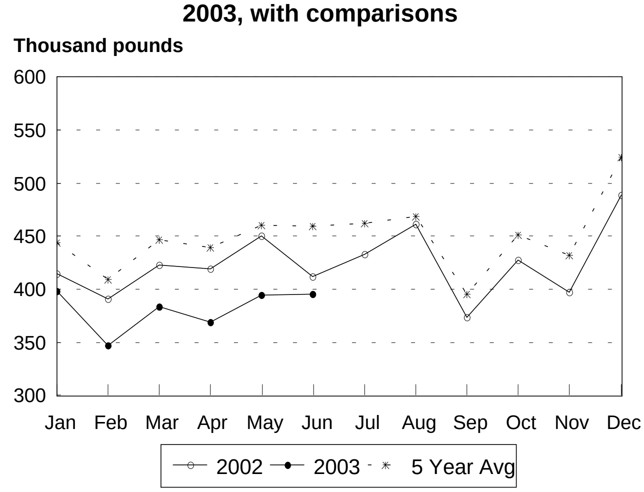
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2002	2003	2002	2003	2002	2003	2002	2003
			pounds		1,000 pounds			
Cattle								
June	900	900	1,051	1,035	940	888	516	488
Year-to-date	5,700	5,400			5,934	5,579	3,258	3,063
Hogs [3]								
June	2,600	2,500	212	210	549	528	412	396
Year-to-date	15,800	14,400			3,346	3,051	2,510	2,288

[1] Excludes non-inspected farm slaughter and live cattle and calves shipped out-of-state; includes custom slaughter.
[2] Estimates based on 54.9 dressing percentage for cattle; 75.0 dressing percentage for hogs.
[3] Excludes non-inspected farm slaughter; includes custom slaughter and live hog inshipments from the mainland for slaughter.

Commercial Beef Production, State of Hawaii
2003, with comparisons



Commercial Pork Production, State of Hawaii
2003, with comparisons



PASTURE AND LIVESTOCK CONDITION, JULY 1, 2003

Hawaii County

Hilo and Puna: Except for the Glenwood area, rainfall totals were below normal for June. Very hot, dry conditions prevailed for much of the first half of the month, turning pastures dry. However, the return of normal trade wind shower activities for the remainder of the month, along with more ideal warm temperatures and sunshine, afforded forage supplies to quickly return to adequate levels. Pasture condition for the upper elevation sectors of Mauna Kea continued to progress slowly due to drier conditions. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Ka'u: After a dry month of May, some much needed, although short-lived rainfall fell during the first week of June to help temporarily rejuvenate pastures. Rainfall amounts recorded at two of the three rain gage stations in the district were, however, still below normal levels. The weather, after the first week's rainfall, has turned dry and as a result has most pastures dry and in only fair to poor condition. Stock water supplies were low, necessitating some ranchers to haul water. Most of the cattle and calves were in fair condition, with some supplemental feeding occurring by month's end.

Kona: All areas of Kona recorded below normal rainfall totals. Some timely showers helped to sustain some pastures, but the dry weather has pastures in mostly poor condition, with coastal pastures in the worst condition. The absence of shower activities has kept soil moisture levels low. Stock water levels were below normal. Cattle and calves were in fair condition with some supplemental feeding.

Kohala: Normal rainfall in the Hawi and Kamuela areas during June, helped to stimulate some good new grass growth, which kept most pastures in good condition. Elsewhere shower activities were lighter or non-existent leaving most of those pastures dry to very dry. As a result, the condition of most of these pastures ranged from poor to fair with only old feed available, at best. Stock water supplies were still adequate. Cattle and calves were in fair to good condition, with minimal supplement being fed.

Hamakua: The return of normal trade wind showers during the later two-thirds of the month has promoted good new grass growth at the lower elevations. Higher elevation pastures received some beneficial rainfall but the continuing hot, dry conditions has kept these pastures mostly dry. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Honolulu County

Ample rainfall, during the first week of June, has provided good moisture to central Oahu pastures and the normally dry Waianae district. Elsewhere rainfall totals were light, resulting in below normal rainfall amounts and continued dry pastures, even in the normally wet windward sectors. Cattle and calves were in fair condition.

Kauai County

Above normal to near normal rainfall amounts throughout much of the county helped to sustain pastures in fair to good condition. New grass growth was good in most areas. Cattle and calves were in fair to good condition.

Maui County

Heavy, but sporadic rainfall amounts, during the first week of June, resulted in widely varying rainfall percentage of normal values. Although a few areas recorded rainfall totals well above normal, rainfall amounts were, in general, well below normal throughout the county. A few pastures were able to maintain decent new grass growth, but most pastures were dry and in fair to poor condition. Cattle and calves were in fair to good condition.

Rainfall Data Source: ***National Weather Service Forecast Office. NWS-NOAA.***
Disclaimer: ***Data from Hydronet state-wide network of automated rain gages. Gages are not certified and rainfall information is provided for informational purposes only.***

Total U.S. Meat Production To Decline Slightly in 2003 and 2004

Note: The discovery of bovine spongiform encephalophathy (BSE) in Canada resulted in the United States placing a ban on imports of ruminant animals and products from that country as of May 20. Due to the uncertainties as to the length of the ban, the impact of BSE in this report is limited to impacts of the ban through July 11. Subsequent issues of this report will reflect available information at that time.

Total U.S. meat production is expected to decline slightly (less than 1 percent) in both 2003 and 2004. Red meat production is expected to decline nearly 2 percent due to the shrinking inventories of cattle, hogs, and sheep. Larger-than-expected slaughter in the second quarter increased beef production. Higher-than-expected placements in the second quarter along with higher forecast placements in the third quarter are expected to lead to larger beef production in late 2003 and early 2004 than previously expected. The larger placements are tempering the start of herd rebuilding. The ***Cattle*** report to be released on July 18 will provide a basis for re-evaluating beef production forecasts. The June ***Quarterly Hogs and Pigs*** report indicated that producers intend to cutback production in the coming months, but at a lower rate than previously expected. If these intentions are realized, there will be a smaller than previously expected decline in 2004-pork production. Broiler production forecasts for 2003 now indicate a fractional year-over-year increase as heavier weights more than offset the continuing decline in chicks placed.

Meat imports are running below previous expectations reflecting the ban on Canadian beef since May 20. However, the reduction in beef imports from Canada is being partially offset by higher pork imports. Meat exports are also running below previous expectations due to reduced beef and poultry sales to Mexico and weaker poultry sales to Asia.

Cattle price forecasts have been lowered due to anticipated larger-than-previously expected 2003 and 2004 production. Hog price forecast has been raised as strong beef prices supported second-quarter hog prices and fourth-quarter prices are forecast higher than previously anticipated.

Hogs/Pork

June Hogs and Pigs Report in Line With Expectations

The Quarterly Hogs and Pigs, released June 27th, reported June 1st inventories, farrowing rates, and farrowing intentions that largely track with earlier expectations. If producers' intentions are realized, annual farrowings and pig crop for 2003 will be about 2-percent lower than in 2002. For 2003, continued expectations are for total slaughter of about 99 million head, yielding pork production of 19.5 billion pounds, or a 1-percent decline, respectively, for 2002.

Lower grain prices and positive producer returns suggest that farrowings, and thus pig crops, may expand marginally next year, but at rates less than 1 percent above 2003. Slaughter next year could be somewhat smaller, given lower farrowings in the second half of 2003 and some increased gilt retention if expectations for continued positive returns are realized. Current expectations point to 2004 pork production of 19.4 billion pounds, a quantity that is less than 1-percent below 2003 production estimates.

Live Hog Prices Reflect Lower 2003-2004 Supplies

Second-quarter 2003 prices of 51-52 percent lean (live equivalent) hogs averaged $42.64 per hundredweight (cwt), 22 percent higher than a year ago, and 21 percent above prices in this year's first quarter. On average, 2003 hog prices are expected to be 12 percent higher than in 2002. Next year, prices will average around 8 percent higher than in 2003, or, in the low $40s per cwt. Higher live hog prices both this year and next, reflect lower supplies of hogs and competing protein animals.

Lower Retail Prices Expected for Balance of 2003; Higher Next Year

Retail prices through May averaged more than 3 percent below last year, partly in response to higher-than-expected pork supplies in the first half of 2003. Retail pork prices for 2003 are expected to average in the low $2.60s per pound, or, about 1 percent below 2002. Next year, lower supplies of pork and beef will likely support retail prices in the upper $2.60s per pound.

Cattle/Beef

Canadian Beef and Cattle Import Ban Clouds Market Outlook

Cattle prices have benefitted from the still-unresolved ban on imports of Canadian beef and cattle following discovery of a single case of BSE (bovine spongiform encephalopathy) on May 20. The U.S. beef market remains short of beef supplies at a time of very strong beef demand, particularly since a series of late-winter storms held down weight gains in feedlots. Strong fed cattle prices resulted in pulling marketings of feedlot cattle forward to meet the strong demand. Prices for Nebraska fed cattle averaged $76.73 per cwt in June, up from $63.64 a year earlier. The market remains nervous pending reopening of the Canadian market and negotiations within the international beef trading market on resolving this issue based on scientific grounds. This set of estimates only adjusts Canadian product imports through July 11, and are published in the ***World Agricultural Supply and Demand Estimates***. At this time, discussions for resolving the issue are ongoing.

Herd Liquidation Likely Continues

The mid-year Cattle inventory report will provide the next solid view of the latest cattle cycle. However, first-half slaughter statistics strongly suggest at least one more year before the cattle industry even begins to move toward herd expansion. Although drought conditions remain a concern with much of the western half of the Nation continuing in drought, moisture and forage conditions are much improved in the eastern half of the country. Rebuilding forage stocks remains an issue, and hot weather pulls moisture levels down quickly.

Forage Supplies Remain Tight

The farm price of “other” (grass) hay continues well above year-earlier levels. The average price for other hay in June was $79.20 a ton, down seasonally from May as baling begins, but up $6 from a year earlier. Although moisture conditions are much improved east of the rockies, unusually wet conditions have resulted in very poor hay making conditions in many areas. Stock ponds have been refilled from the heavy rains in many areas, resulting in adequate supplies as summer heats up. The poorest forage conditions are in the Rockies and areas west, particularly New Mexico and Arizona with half or more of the acreage in the very poor-poor range. Many reservoirs remain well below normal as irrigation demands increase.

Producers intend to harvest 64.4 million acres of hay in 2003, slightly below a year earlier. Alfalfa hay acreage is expected to rise 2 percent. Although all other hay harvest acreage is expected to decline 1 percent, this decline is misleading because of the large acreage of Conservation Reserve Program (CRP) hay acreage released for harvest in drought areas last year. Year-to-year comparisons show down sharply lower acreage in the northern Rocky Mountains and norther Great Plains because of fewer CRP and small grain acreage expected to be harvested this year. Release of CRP acreage will be determined by drought declarations.

Cow Slaughter Remains High

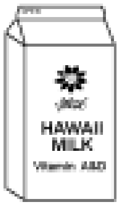
First-half cow slaughter is over 8 percent above year earlier-levels and the largest cow slaughter since 1997. Dairy cow slaughter was up 13 percent, the largest since 1997, the result of abnormal culling and low milk prices. Beef cow slaughter was up 4 percent, the largest since 1998 as forage uncertainties in some areas and continued drought in much of the West stems expansion considerations. Replacement heifers being retained on January 1, 2003, were about unchanged from the levels of the past couple of years. Consequently, it appears almost certain that the beef cow herd will continue to decline. Inventories may increase in a few states, where inventories have been pulled down due to drought, and forage conditions are much improved over the past couple of years. Fairly large numbers of replacement heifers will have to calve and enter the cowherd to begin to stabilize the cowherd, much less begin to expand the base.

Fed Slaughter Pulled Forward

Following the May 20 ban on Canadian beef and cattle imports fed cattle marketings have been pulled forward to increase slaughter and production levels to supplement the short fall in product from Canada. Cattle on feed inventories at the beginning of the second quarter in feedlots with 1,000+ head of capacity were nearly 8 percent below a year earlier. However, improved feeding conditions, stronger prices encouraging marketing ahead of schedule, and concerns over more Canadian beef and cattle coming into market if the ban is lifted has resulted in a fairly sharp increase in slaughter in the second quarter. Second-quarter steer slaughter was likely up about 4 percent, while heifer slaughter rose near 1 percent. Marketings are likely to remain strong as long as the Canadian ban continues and beef demand remains strong. Feeder cattle demand has similarly increased strongly in June, with prices of yearling feeder cattle at Oklahoma City averaging nearly $10 per cwt above a year ago. Second-quarter placements likely rose 8 to 10 percent above a year earlier, as feedlots attempted to replace cattle marketed earlier and due to anticipated strong prices as long as the ban continues. Even though cattle are being marketed ahead of schedule at lighter weights, slaughter weights while below normal are increasing seasonally.

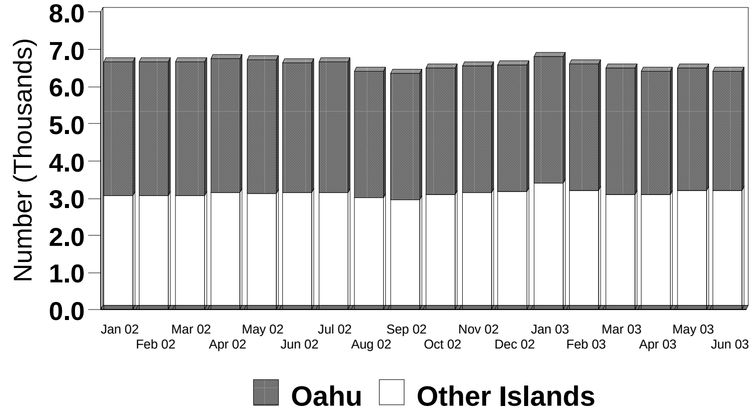
Source: ***Livestock, Dairy, and Poultry Outlook, July 22, 2003, Economic Research Service, United States Department of Agriculture.***

MILK LOWER FOR JUNE AND FIRST HALF OF 2003



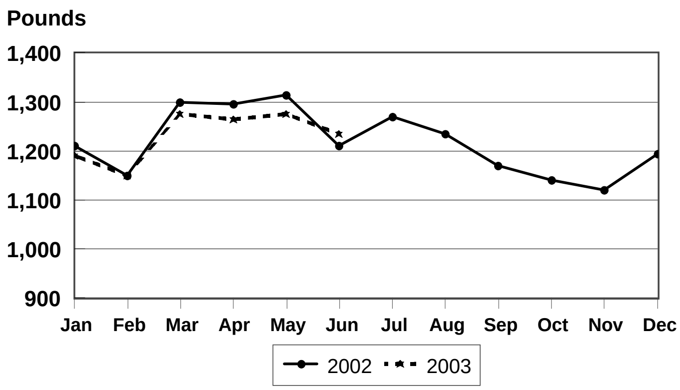
Hawaii's dairy cows produced 7.9 million pounds of milk in June, compared to 8.1 million pounds in June 2002 and 8.3 million in May 2003. The cow inventory, both dry and in milk, numbered 6,400 head, 300 below June last year and 100 head below May this year. In June, output per cow averaged 1,235 pounds, 25 pounds higher than June last year but 40 pounds lower than May this year. Milk production for the first half of 2003 totaled 48.3 million pounds, a 4 percent decline from the comparable period in 2002. So far this year, about 62 percent of the production came from Honolulu County. Hawaii County has been increasing its output.

Milk Cows
State of Hawaii, 2002-2003



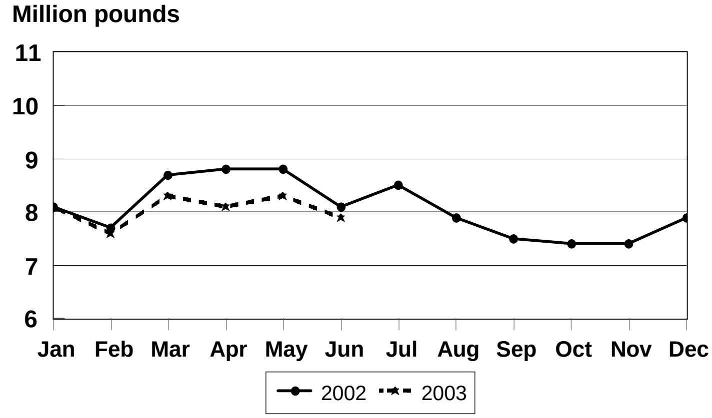
HASS

Milk Production Per Cow,
State of Hawaii, 2002-2003



HASS

Total Milk Production,
State of Hawaii, 2002-2003



HASS

Milk cows and milk production, State of Hawaii, June 2003

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	June 2002	May 2003	June 2003	June 2002	June 2003	June 2002	June 2003	Year-to-date 2002	Year-to-date 2003
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,150	3,200	3,200	930	890	2,935	2,845	17,745	18,335
Honolulu	3,500	3,300	3,200	1,485	1,580	5,205	5,060	32,410	29,935
State	6,700	6,500	6,400	1,210	1,235	8,100	7,900	50,200	48,300

[1] State totals may not add due to rounding.
[2] Includes dry cows and cows on non-commercial dairy farms.
[3] Figures for 2003 are preliminary.

U.S. PRODUCTION DOWN 0.1 PERCENT

Milk production in the 20 major States during June totaled 12.3 billion pounds, down 0.1 percent from June 2002. May revised production, at 13.0 billion pounds, was down 0.4 percent from May 2002. The May revision represented a decrease of 9 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,587 pounds for June, unchanged from June 2002. The number of milk cows on farms in the 20 major States was 7.77 million head, 10,000 head less than June 2002, and 11,000 head less than May 2003.

Average farm prices, State of Hawaii, June 2003

Commodity		June 2002	May 2003	June 2003
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	79.0	75.0	75.0
	- (live weight equivalent)	(43.4)	(41.2)	(41.2)
Cows [1]	*- dressed weight*	53.0	56.0	56.0
	- (live weight equivalent)	(29.1)	(30.7)	(30.7)
Market hogs [1 2]	*- dressed weight*	114.0	114.0	114.0
	- (live weight equivalent)	(85.5)	(85.5)	(85.5)
		dollars per 100 pounds		
Milk [3]		23.40	22.80	22.70
		cents per dozen		
Eggs [4]		84.0	82.5	84.0

[1]Equivalent delivered slaughterhouse for sales on island of production and delivered shippers dock for off-island sales. Factors of 0.549 and 0.75 used to convert dressed weight prices to live weight equivalent for cattle and hogs, respectively.
[2] Includes roasters.
[3] Beginning 1999, monthly average price rounded to the nearest dime.
[4] Prices are for all eggs, equivalent delivered processing plant. Preliminary prices are based on processor reports from Hawaii, Kauai, Maui and adjusted Market Analysis & News Branch wholesale prices for Oahu. Final prices are based on processor reports from all islands.